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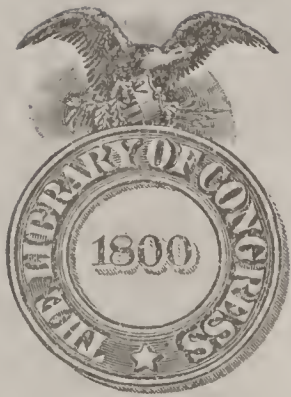
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SIX MONTHS' PAY TO DEPENDENTS OF DECEASED ARMY MEN.

NOVEMBER 15, 1919.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. MILLER, from the Committee on Military Affairs, submitted the following

REPORT.

[To accompany S. 2497.]

The Committee on Military Affairs, to whom was referred the bill (S. 2497) to provide for the payment of six months' pay to the widow, children, or other designated dependent relative of any officer or enlisted man of the Regular Army whose death results from wounds or disease not the result of his own misconduct, having considered the same, report thereon with a recommendation that it do pass, with the following amendments:

In line 3, page 1, after the word "that," insert the words "from and after October 6, 1917."

In line 7, page 1, strike out the words "from and after October 6, 1917."

Strike out all of section 3.

This legislation was recommended by the War Department in the following letters:

WAR DEPARTMENT,
Washington, July 29, 1919.

To the CHAIRMAN COMMITTEE ON MILITARY AFFAIRS,
House of Representatives.

SIR: In compliance with request, under date of July 24, 1919, of the clerk of your committee, I transmit herewith a copy of a letter sent with H. R. 6505 when that bill was transmitted in its original form.

Respectfully,

W. G. HAAN,
Major General, General Staff, Director, W. P. D., A. C. of S.

WAR DEPARTMENT,
Washington, January —, 1918.

To the CHAIRMAN COMMITTEE ON MILITARY AFFAIRS,
House of Representatives.

SIR: My attention has been called to the fact that the act of October 6, 1917, authorizing the creation of a Bureau of War Risk Insurance, which is now in effect, in so far as it benefits the families of deceased officers and soldiers, has not taken the place of the gratuity heretofore provided by act of Congress.

The theory underlying the gratuity and pension statutes, as they have been on the books since 1908, is that the so-called six months' gratuity would provide a fund immediately available to the family upon the decease of the officer or enlisted man, so as to take care of the extraordinary expenses of the period of emergency and readjustment caused by the taking off of the main support of the family, and that the pension allowed to dependents would assist in their support during the period of dependency. These benefits were rightly regarded as part of the remuneration for service in the Army, where the pay is, and always has been, small as compared with the wages and salaries of civilians in positions of equal importance.

The inadequacy of the foregoing plan in the present emergency caused the enactment of the amendment of October 6, 1917, to the act of September 2, 1914, authorizing the creation of a Bureau of War Risk Insurance. Its main object was to provide protection against disability and death of the men called into the service for the period of the war only. This is shown particularly by the provisions as to family allowances, which cease with the present war emergency. Article III, which deals with compensation for disability or death, is a great improvement over former pension legislation. Article IV, which authorizes the Government to write insurance upon the lives of officers and enlisted men, taken in conjunction with Article III, enables a member of the Army to make provision for an income for his dependents which will enable them to maintain a self-respecting standard of living, after they have once made the necessary readjustment. But the act nowhere makes any provision to cover this emergency period. Civilians usually take care of it by insurance payable in a lump sum upon death. The members of the Regular Army have not generally been able to make such provision, and, since 1908, have, in many cases, thought it unnecessary because of the gratuity paid by the Government. At present with the additional premiums required for war risks, the procuring of such insurance is practically out of the question for the lower grades. Therefore, one of the unforeseen consequences of the act is to deprive members of the Regular Army of a most important privilege, of great value to their families. It is, in effect, a reduction of their emoluments at a time when such reduction is most disastrous. Because of the necessity for making adequate provision for nonprofessional soldiers, whose military service is temporary only, the professional men of arms ought not to be deprived of any of the allowances which have been heretofore given them and which they may have justly come to regard as their right in lieu of higher pay.

The repealing of the gratuity provision causes special hardship to the families of officers, for it amounts to the cancellation of a paid-up life insurance policy ranging in value from \$900 to \$5,000. And since the compensation granted by Article III is in many instances less than the pension would have been under the pension laws, the officer's family is left in worse position than before the passage of the act, the very object of which was to improve the position.

The War Department's views on this proposed and desirable legislation, together with a draft of the proposed bill, are therefore furnished for the information of the chairman on Military Affairs, House of Representatives, and favorable action is recommended.

Respectfully,

NEWTON D. BAKER,
Secretary of War.

The Senate amended the bill by the addition of section 3, which reads as follows:

That the sum received hereunder shall be deducted from any amount that may be or may become due and payable to any such widow, child, children, or dependent relative of such officer or enlisted man under the act entitled "An act to amend an act entitled 'An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department,' approved September 2, 1914, and for other purposes," approved October 6, 1917, or any act or acts amendatory thereof.

Subsequently the Secretary of War addressed a letter to the chairman of the Committee on Military Affairs, House of Representatives, explaining the effect of the inclusion of that section in the legislation. The letter is as follows:

SEPTEMBER 30, 1919.

To the CHAIRMAN COMMITTEE ON MILITARY AFFAIRS,
House of Representatives.

SIR: I beg to bring to your attention a serious defect which, it appears to me, is included in S. 2497, "A bill to provide for the payment of six months' pay to the

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widow, children, or other designated dependent relative of any officer or enlisted man of the Regular Army whose death results from wounds or disease, not the result of his own misconduct," which has recently passed the Senate.

This legislation was requested by the War Department in the identical form as that provided in the first two sections of the above bill, with the exception of the provision covering those on the retired list when on active duty, to which provision the War Department can see no objection.

Section 3 of the above bill was not, however, covered in the War Department's recommendation, and it is my opinion that should this section be enacted into law the effect upon the Army as a whole will be most detrimental, since such provision nullifies in a large measure, the advantages to the members of the Regular service of continuing the war risk insurance. This for the reason that the section as written confers a gratuity, amounting to six months' pay, upon those in the service who do not continue their war-risk insurance, while in the case of those who do, the amount received is in the nature of an immediate payment of part of the insurance for which they have paid a premium sufficiently large to secure the Government against possible loss in the transaction. The result of such a discrimination in favor of those who do not continue the insurance can be easily foreseen and would be most unfortunate. I hope when this legislation is referred to your committee, you will lend your influence to eliminating section 3 referred to above.

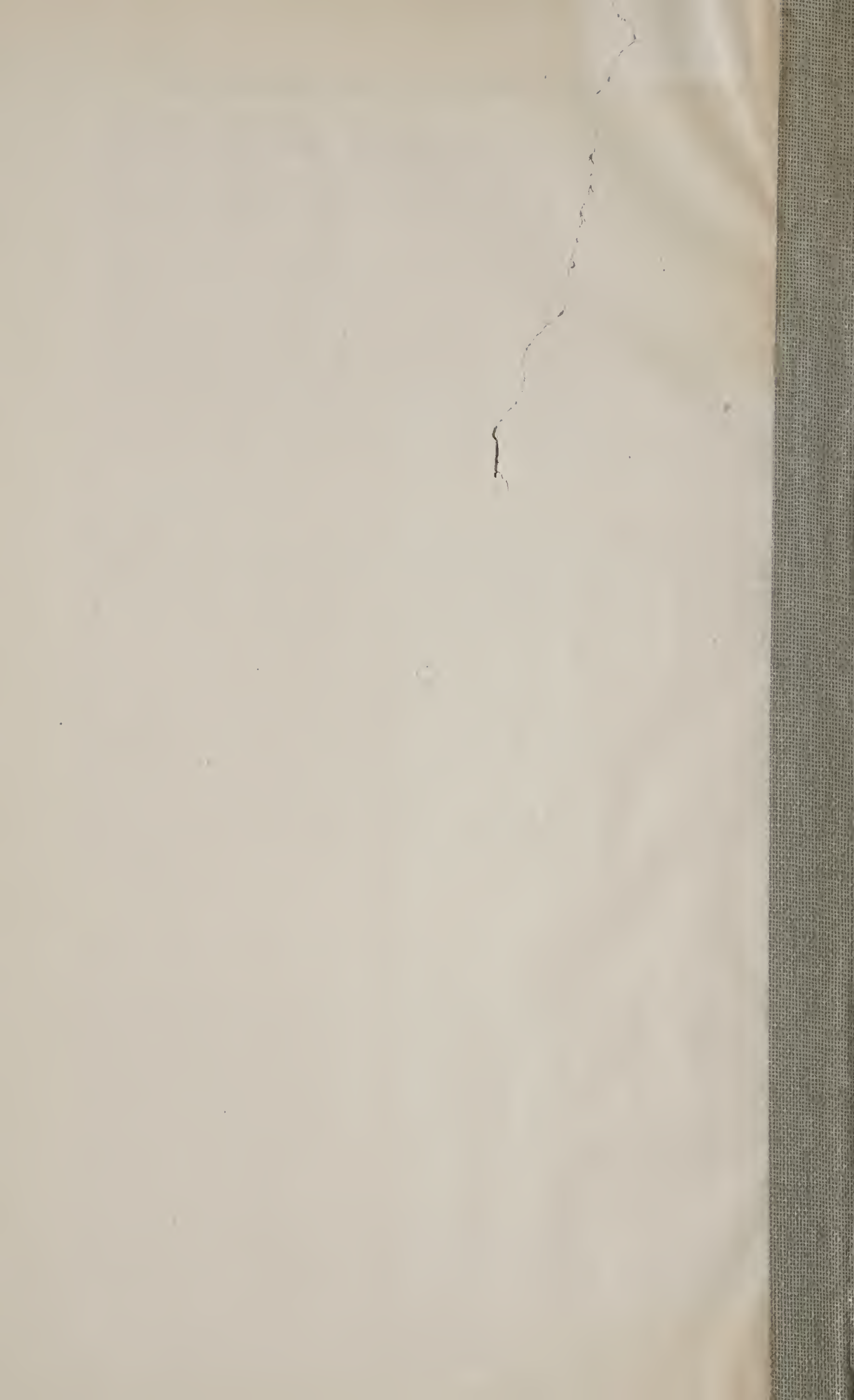
Respectfully,

NEWTON D. BAKER,
Secretary of War.

Your committee feel that section 3, if permitted to pass as part of the legislation, would probably result in such a condition as is pointed out in the Secretary's letter.

Your committee also recommends that H. R. 6505 be laid upon the table.





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